GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2434
ANSWERED ON:16.03.2017
Air India Restructuring Plan
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government proposes to rescue Air India by roping in a consortium of banks led by SBI as strategic investors by converting its working capital debt of Rs. 28,000 crore into equity, if so, the details thereof;

(b) whether as per the turnaround plan/ financial restructuring approved by the Government back in 2012, Air India is required to monetize its assets and generate Rs. 5,000 crore by way of sale, leasing or developing an asset as a joint venture, if so, the details thereof;

(c) whether Air India has been in possession of some properties which are lying vacant and unused for a long time and if so, the details thereof;

(d) the details of net profit and operating ratio of Air India during the last three years;

(e) whether Air India has any outstanding debts, if so, the details thereof for the last three years and bailout package given to revive Air India during the above period;

(f) the details of international segments that provide highest profit/ revenue for Air India; and

(g) whether Government proposes to expand Air India operations by expending its fleet of aircraft and if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): Air India"s Turnaround Plan is underway and seeks to strengthen all aspects of Operating and Financial performance. To that end, Air India has been in continuous discussions with its lenders to improve its balance sheet.;
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(b)&(c): As per TAP/FRP, Air India is required to generate an amount of Rs.5,000 crores from Monetization of assets over a period of ten years w.e.f. FY 2012-13. Air India is in possession of some properties which are lying vacant and unused for various reasons like location, capital expenditure, land use, allotment terms & conditions etc. However, Air India has started monetization of the properties as far as possible. The list of vacant /unused properties is attached as Annexure -1 ;

(d): The details of Net Profit/Loss and Operating Ratio of Air India during the last three years are attached as Annexure- 2;

(e): Yes, Madam. The total/outstanding debts of Air India for FY 2013-14, FY 2014-15 and FY 2015-16 was Rs 48359 crores, Rs 49562 crores and Rs 50357 crores respectively. The Equity Support extended to Air India Ltd. by the government during last three years to revive the company"s performance is attached as Annexure-2.

(f): The highest International Segment revenue as per audited account for the FY 2015-16 is USA/Canada segment. The Revenue is Rs. 18159.9 million.

(g): With the augmentation of its fleet AI will be able to expand its network. However, with the repeal of Air Corporation Act in Mar 1994, the Indian domestic aviation was totally deregulated. Airlines are free to induct capacity with any aircraft type, free to select whatever markets and network they wish to service and operate subject to compliance of Route Dispersal Guidelines (RDGs) issued by the Government.